

COMMITTEE ON FINANCE
NEWS RELEASE



Max Baucus, Chairman
<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
From: Carol Guthrie for Finance Chairman Max Baucus (D-Mont.)
Re: settlement of China WTO case

Senate Finance Committee Chairman Baucus commented briefly today on the settlement of a WTO case over illegal export subsidies in China, as announced by U.S. Trade Representative Susan Schwab. USTR requested WTO consultations with China in February over illegal subsidies that encourage exports and favor domestic products over imported goods. Mexico, Japan, Australia, and the EC later joined the consultations. The request cited multiple different Chinese policies that amounted to illegal trade-distorting subsidies. On March 8, 2007, China's Central bank announced it would terminate one of the challenged subsidy policies. With the settlement announced today, China has agreed to terminate all of the other subsidies the United States challenged by January 1, 2008. From Chairman Baucus:

"Today's settlement proves that the WTO dispute settlement process works to help American workers and to shut down China's unfair trading practices. I congratulate Ambassador Schwab on her hard work in resolving this WTO case, and I look forward to continued success in abolishing China's other unfair trading practices without delay."

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